

June 18, 2019

Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Subject: Wholesale Water Price Increase

Dear Commission:

The Public Service Commission of South Carolina issued CUC's current service rates in Docket No. 2013-451-W/S, Order No. 2014-1001 on December 3, 2014. This Order allows CUC to pass through increases in wholesale water rates after giving our customers at least 30 days' notice and also providing notice and proof of the increase to you.

CUC purchases all of its water as a wholesale water customer of Beaufort-Jasper Water & Sewer Authority (BJWSA). At the time the above Order was issued, BJWSA's wholesale water rate to CUC was \$2.26 per thousand gallons and the customer rate was \$5.10/kgal. Following a BJWSA \$0.05 increase/kgal that went into effect on July 1, 2015, CUC's wholesale rate became \$2.31/kgal, which in turn made our customer rate increase to \$5.15/kgal. On May 10, 2016, BJWSA notified CUC that an increase of \$0.02/kgal would go into effect on July 1, 2016. That made our wholesale rate \$2.33/kgal and our customer rate \$5.17/kgal. On May 10, 2017, BJWSA sent us a letter notifying us of a \$0.16/kgal increase, which increased our wholesale rate to \$2.49/kgal, and our customer rate to \$5.33/kgal, effective July 1, 2017. On May 21, 2018, BJWSA notified us of a \$0.12/kgal increase, which made our wholesale rate increase to \$2.61 and our customer rate increase to \$5.45, effective July 1, 2018.

We have received a letter from BJWSA, dated May 29, 2019, which states that our wholesale rate will increase to \$2.70/kgal, effective July 1, 2019. This is an increase of \$0.09/kgal, which will make our customer rate increase to \$5.54/kgal.

I am enclosing a copy of the letter we received from BJWSA regarding this increase. Our customers will be notified of this increase with their July 1, 2019 billing statements. They will not be billed for the increase until the September 1, 2019 billings. Because we now bill bi-monthly, that billing will be for July and August service. The July 1, 2019 notification will provide our customers with 60 days of notice for the increase.

Please let us know if we can provide you with any additional information.

Sincerely yours

Susan B. Mikell
President

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cc: Office of Regulatory Staff
Enclosure



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Our mission: Inspire trust and enhance public health

JOE MANTUA, PE, GENERAL MANAGER
 843 987.8044 (o) | 843 540 4002 (c)

May 29, 2019

Callawassie CUC, Inc.
 Ms. Susan Mikell, President
 3779 Byrnes Blvd
 Florence, SC 29506

Re: Wholesale Water Rate Increase

Dear Ms. Mikell,

Please accept this letter as notification that your Wholesale Water Rate will be increasing effective July 1, 2019. After updating our cost of service model, the new rate per 1,000 gallons will be \$2.70, which is a 3.4% (\$0.09/kgal) increase. The Board adopted this rate at the May 23, 2019 meeting.

There have been no allocation changes or methodology changes in the calculation of your rate. For FY2020, total operating expenses are increasing 7% over FY2019 forecasts primarily due to increases in personnel and benefit costs, professional fees, maintenance, and residuals management costs. Wholesale consumption is projected to increase 0.4% from FY2019 to FY2020. Retail consumption is projected to increase 1.8% from FY2019 to FY2020. With this rate increase, we are only recovering 89% of allocated costs for Callawassie.

You are a valued wholesale customer and we welcome any inquiries you may have about our rates. If you have any questions or concerns, please feel free to contact me at 843-987-8081 or email me at sarah.linkimer@bjwsa.org.

Sincerely,

Sarah Linkimer
 DGM – Finance & Administration

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